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RULE PROPOSAL
HEALTH AND SENIOR SERVICE
DIVISION OF SENIOR BENEFITS AND UTILIZATION MANAGEMENT
SENIOR GOLD PRESCRIPTION PROGRAM MANUAL
COLA INCOME ADJUSTMENTS FOR SENIOR GOLD ELIGIBILITY

Proposed Amendment: N.J.A.C. 8:83D-6.2

Authorized By: Clifton R. Lacy, M.D., Commissioner, Department of Health and Senior Services.

Authority: N.J.S.A. 30:4D-43 et seq.

Calendar Reference: See Summary below for explanation of the exception to the calendar requirement.

Proposal Number: PRN 2003-95.

Submit comments by May 16, 2003 to:

Kathleen Mason, Assistant Commissioner

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A copy of the proposal is available for review at all offices of the Area Agencies on Aging, which are situated in all 21 counties.

The agency proposal follows:

Summary

The Senior Gold Prescription Discount Program was created as a result of the signing of the Senior Gold Prescription Discount Act, P.L. 2001, c.96, on May 15, 2001.

The purpose of the Senior Gold Program is to provide prescription discounts for certain elderly and disabled New Jersey residents who do not qualify for Prescription benefits through the Pharmaceutical Assistance to the Aged and Disabled (PAAD) Program. Eligible persons must have annual income in 2003 between \$20,016 and \$30,016 if single or between \$24,542 and \$34,542 of combined income if married. Seniors must be at least 65 years of age to qualify. Disabled persons must be at least 18 years of age and receiving Social Security disability benefits. Senior Gold beneficiaries must pay a \$15.00 co-payment for each prescription plus 50 percent of the remaining cost of the prescription. Once a Senior Gold beneficiary reaches annual out-of-pocket expenses exceeding \$2,000 for single persons and \$3,000 a year for married couples, they will pay only the \$15.00 co-payment for each prescription. The

Senior Gold Program only covers drugs approved by the Food and Drug Administration. Drugs purchased outside the State of New Jersey are not covered, nor are any pharmaceutical products whose manufacturer has not signed a rebate agreement with the State of New Jersey.

The Commissioner of the Department of Health and Senior Services, pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., is responsible for adopting rules for the Senior Gold Program. The Division of Senior Benefits and Utilization Management, Department of Health and Senior Services, is the agency responsible for the operations and administration of the Senior Gold Program.

The proposed amendment provides detailed descriptions of the income eligibility limits for the Senior Gold Prescription Discount Program and is being adjusted for inflation. Under N.J.A.C. 8:83D-6.2(m), the increase is by the amount of the maximum Social Security benefit cost of living increase for that year for single and married persons respectively. The new limits will reflect the requirement that they be no more than \$10,000 above the applicable PAAD limits for single and married persons. Single persons must have annual income between \$20,016 and \$30,016. Previously, the single income limit was between \$19,739 and \$29,739. Married persons must have annual combined income between \$24,542 and \$34,542. Previously, the married income limit was between \$24,203 and \$34,203. This proposed amendment is required by N.J.A.C. 8:83D-6.2(m).

Because the Division has provided a 60-day comment period for this notice of proposal, this notice is excepted from the rulemaking calendar requirements pursuant to N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed amendment outlines in detail the income eligibility limits for the Senior Gold Program. Those individuals who are eligible for Senior Gold benefits will more likely fill their prescriptions. In general, these individuals should experience better health, longer life and a better quality of life. The Senior Gold Program provides prescribed legend drugs, insulin, insulin supplies, and diabetic testing materials to eligible New Jersey residents at a beneficiary co-payment of \$15.00 per prescription plus half the cost of the pharmaceuticals. To be eligible, New Jersey residents must be at least 65 years of age or older, or be permanently and totally disabled and a recipient of Social Security Title II benefits, while having an annual income below a prescribed amount that is adjusted annually by the amount of the Social Security Cost-of-Living Allowance.

Economic Impact

Prescriptions will be more affordable for those who are eligible for discounts through the Senior Gold Program. Pharmacies will experience additional business since more prescriptions will be dispensed. There should be no impact on New Jersey taxpayers. Funding for the Senior Gold Program is obtained from monies received from tobacco companies under the nationwide settlement of the respective actions by state governments against those companies entered into by the State in the Master Settlement Agreement in *State of New Jersey v. R.J.*

Reynolds Tobacco Company, et al., Superior Court, Chancery Division, Middlesex County, Docket No. C-254-96.

Federal Standards Statement

The proposed amendment concerns a State-sponsored prescription discount plan and does not involve Federal law or Federal funds. However, all prescribed drugs covered under the Senior Gold Program are FDA approved and conform to Medicaid MAC Drug requirements.

Jobs Impact

The Department anticipates no job generation or loss as a result of the promulgation of this proposed amendment.

Agriculture Industry Impact

The proposed amendment will have no impact on the agriculture industry.

Regulatory Flexibility Statement

The proposed amendment does not impose reporting, recordkeeping or other compliance requirements on small businesses, as defined under the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The amendment establishes income limits pertaining to eligibility of individuals under the Senior Gold Program, i.e., an adjustment for inflation.

Smart Growth Impact

The proposed amendment will have no impact on the achievement of smart growth and will have no effect on the implementation of the State Development and Redevelopment Plan.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

8:83D-6.2 Income standards

(a) Any single permanent resident of New Jersey who is 65 years of age or over or who is under 65 and over 18 years of age and is receiving Social Security Title II disability benefits must have total annual income between [\$19,238] **\$20,016** and [\$29,238] **\$30,016** in [2001] **2003** to be eligible for Senior Gold benefits. These income limits will increase January 1 of each year in accordance with the Social Security cost of living increase.

(b) Any married permanent resident of New Jersey who is 65 years of age or over or who is under 65 and over 18 years of age and is receiving Social Security Title II disability benefits must have a combined (applicant and spouse) total annual income between [\$23,589] **\$24,542** and [\$33,589] **\$34,542** in 2003 to be eligible for Senior Gold benefits. The income limits will increase January 1 of each year in accordance with the Social Security cost of living increase.

1.-2. (No change.)

(c)-(m) (No change.)

